

19 February 2025

Ms Julia Knight Secretary Legislative Scrutiny Committee GPO Box 3721 DARWIN NT 0801

By email: <u>LA.Committees@nt.gov.au</u>

Dear Ms Knight

Territory Coordinator Bill 2025

Accelerating mining investment in the Northern Territory by reducing delays in important assessment and approvals processes is rightly a priority for the Northern Territory government, and vital for the future prosperity of all Territorians.

The Minerals Council of Australia – Northern Territory Division (MCA NT) welcomes the opportunity to provide feedback on the *Territory Coordinator Bill 2025* tabled on 12 February 2025.

The MCA is the peak industry body representing the mining and minerals sector in Australia. It is a not-for-profit organisation that advocates for policies and practices that support the sustainable development and growth of Australia's minerals industry. The MCA NT represents the interests of member companies operating, exploring and providing services to the minerals industry in the Northern Territory, from large multinational corporations to smaller, independent minerals operators.

The MCA NT provides recommendations on the first two terms of reference points only:

- The MCA NT recommends that the Legislative Assembly pass the Territory Coordinator Bill 2025.
- 2. The MCA NT does not recommend further amendments to the Bill.

The MCA NT recommends that the Legislative Assembly pass the *Territory Coordinator Bill* 2025.

The Territory's broader aspirational growth relies on a strong minerals industry, which not only supplies essential minerals and metals for a clean energy future, but also generates revenue for key areas like health, education, housing, and policing.

The resources sector is the largest contributor to the Territory's economy. In 2022-23, the value of mining was \$8.1 billion. This includes a direct injection of \$209 million in royalties and millions of dollars in council rates and other land use payments. Mining also provides employment and training opportunities, community investment, infrastructure and frontline emergency services in remote parts of the Territory.

In its Final Report to NT Government in 2022, the Minerals Development Taskforce highlighted a challenge to the Territory economy. The Territory economy heavily relies on royalty revenue, yet

Treasury projections indicate a significant decline in royalties after 2030 due to the anticipated closure of two major mines. To preserve this revenue base, immediate strategic actions need to be taken to ensure sustained royalty revenues past 2030¹.

The Minerals Development Taskforce *Final Report* also noted the significant infrastructure deficit in the Northern Territory that compounds the high costs of doing business. The provisions in Part 4 of *The Territory Coordinator Bill 2025* allow the Territory Coordinator with visibility and influence on infrastructure requirements to support a project and how these projects may be delivered.

While minerals projects in the Territory offer great potential, they are not a guaranteed pipeline to success. Millions of dollars in exploration and mining project investment are lost every year due to rising costs, regulatory burden and declining productivity. An MCA analysis of the Federal Government's Resources and Energy Major Projects list and project progression over the past decade demonstrates that only 5 per cent of projects at the feasibility stage will move to a favourable financial decision each year. Only twenty per cent of projects that debut on the list are progressed to completion, while 80 per cent of projects are abandoned altogether². These results highlight the challenging investment environment due to red tape and poor policy decisions, and the potential benefits that can be created though the introduction of a Territory Coordinator.

The Territory Coordinator will help create a streamlined regulatory process by having an independent oversight on regulatory processes and timeframes and have the authority to make meaningful changes if issues arise. Access to an independent body, such as the Territory Coordinator, will help to increase private investor confidence in the NT.

The MCA NT does not recommend further amendments to the Bill

The minerals sector will play a significant part in the future growth of the Territory. The MCA NT commend the Northern Territory Government for introducing this important Bill as one of its first priorities.

The MCA NT is available to further discuss any of the	matters mentioned above, or any other issues
relating to the Bill and subsequent development of the	e regulations. Should you need further
information please do not hesitate to contact me on	or
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Yours sincerely

Cathryn Tilmouth
Executive Director, Northern Australia

¹ Northern Territory Government, Mineral Development Taskforce Final Report, November 2022, viewed 19 February 2025.

² T. Constable, <u>Australia's investment pipeline leaking \$68 billion every year</u>, April 2024, Minerals Council of Australia, viewed 19 February 2025.